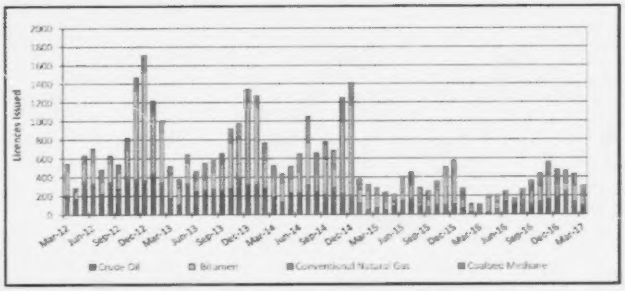
# June 2017 Industry Activity Report

## Monthly Well Licences



The Alberta Energy Regulator issued 304 well licenses in March 2017, up 181% from the 108 well licences issued in March 2016.

There were 87 licences issued for crude oil in March 2017, up 335% from the 20 crude oil licences issued in March 2016.

87% of the crude oil licences issued in March 2017 were for horizontal wells.

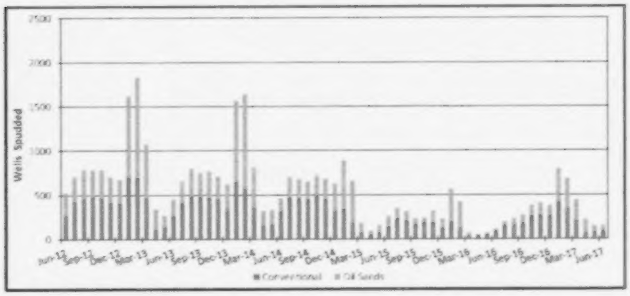
There were 112 natural gas well licenses (excluding CBM) issued in March 2017, up 72% compared to the 65 licences reported in March 2016.

100% of natural gas well licenses issued in March 2017 were for horizontal wells.

| March 2017 | | | |
|---|---|---|---|
| **Licenced Wells** | **Drilling Type** | **Total Licences** | **Per cent of Total Licences** |
| Natural Gas | Horizontal | 112 | 43% |
| | Vertical/Direct | - | |
| Coal Bed Methane | Horizontal | - | |
| | Vertical/Direct | - | |
| Crude Oil | Horizontal | 76 | 24% |
| | Vertical/Direct | 11 | |
| Bitumen | Horizontal | 59 | 33% |
| | Vertical/Direct | 45 | |
| | Evaluation | 1 | |
| **Total** | | **304** | **100%** |

Source: *Alberta Energy Regulator*

## Alberta Wells Spudded (estimates)



For the January to June 2017 period, spuds from conventional wells were up 124% while oil sands spuds were up 65% compared to the same period in 2016.

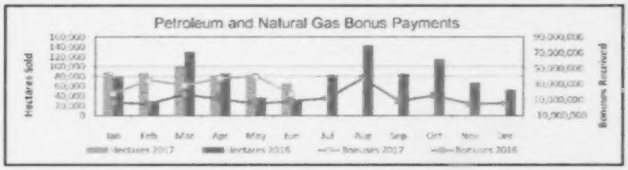
With a total of 150 spuds for the month of June 2017, activity has increased 38% compared to June 2016 when there were 109 spuds.

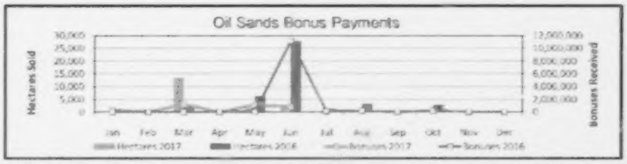
Note: Data for the most recent month is only partially complete. Therefore, June data includes the most current complete results.

| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2011 | Conventional | 759 | 706 | 532 | 110 | 181 | 339 | 579 | 680 | 690 | 679 | 700 | 484 | **6,439** |
| | Oil Sands | 1053 | 1298 | 786 | 131 | 153 | 186 | 236 | 288 | 329 | 277 | 274 | 280 | **5,291** |
| 2012 | Conventional | 689 | 650 | 370 | 135 | 169 | 278 | 430 | 466 | 479 | 474 | 423 | 412 | **4,975** |
| | Oil Sands | 1083 | 1374 | 610 | 141 | 206 | 241 | 274 | 319 | 305 | 308 | 284 | 263 | **5,408** |
| 2013 | Conventional | 703 | 700 | 471 | 112 | 137 | 264 | 412 | 484 | 480 | 476 | 456 | 343 | **5,038** |
| | Oil Sands | 913 | 1126 | 608 | 227 | 133 | 188 | 243 | 317 | 267 | 289 | 250 | 277 | **4,838** |
| 2014 | Conventional | 648 | 578 | 362 | 161 | 170 | 317 | 472 | 464 | 452 | 493 | 448 | 321 | **4,886** |
| | Oil Sands | 914 | 1058 | 450 | 159 | 155 | 142 | 226 | 210 | 193 | 223 | 229 | 305 | **4,274** |
| 2015 | Conventional | 349 | 186 | 73 | 52 | 77 | 141 | 236 | 212 | 164 | 190 | 186 | 126 | **1,992** |
| | Oil Sands | 538 | 465 | 109 | 43 | 76 | 114 | 116 | 104 | 70 | 50 | 135 | 103 | **1,923** |
| 2016 | Conventional | 197 | 131 | 31 | 40 | 49 | 89 | 152 | 158 | 186 | 264 | 274 | 271 | **1,842** |
| | Oil Sands | 371 | 289 | 37 | 9 | 16 | 20 | 40 | 75 | 82 | 110 | 132 | 107 | **1,288** |
| 2017 | Conventional | 415 | 339 | 208 | 62 | 79 | 98 | 3 | | | | | | **1,204** |
| | Oil Sands | 380 | 342 | 229 | 159 | 64 | 52 | 5 | | | | | | **1,231** |

Source: *Alberta Energy Regulator*

## Petroleum & Natural Gas & Oil Sands Land Sales





In June 2017, the province received about $17.6 million as bonuses from the sales of 66,241 hectares of the petroleum and natural gas rights with an average price per hectare of $266.18

In June 2017, bonuses from oil sands sales were $830 thousand from the sales of 2,304 hectares with an average price of $360.37

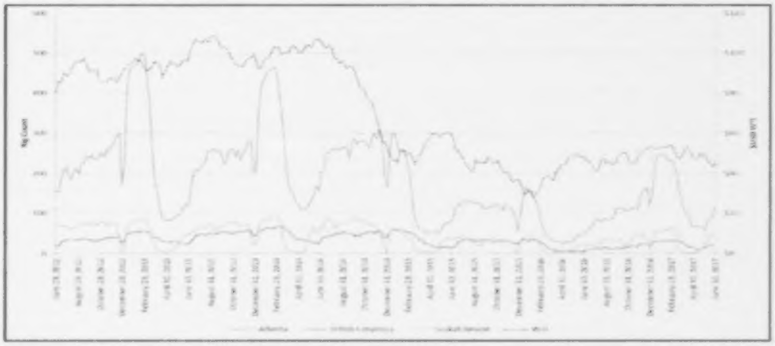
Between January and June 2017, Alberta received a total of about $180.1 million in bonuses from the sales of 526,080 hectares of petroleum and natural gas and oil sands land sales combined compared to about $63.8 million received from the sales of 428,270 hectares in the same period a year before. Average price per hectare has increased from $148.91 in January - June 2016 to $342.39 in the same period in 2017

| Petroleum and Natural Gas Rights | Jun-17 | Jun-16 | YTD 2017 | YTD 2016 |
|---|---|---|---|---|
| Bonuses | $17,632,317.35 | $8,122,278.00 | $176,634,437.64 | $52,512,266.96 |
| Hectares | 66,241 | 31,962 | 508,374 | 391,413 |
| **Average Price per Hectare (Cdn$)** | **$266.18** | **$254.12** | **$347.45** | **$134.16** |

| Oil Sands Rights | Jun-17 | Jun-16 | YTD 2017 | YTD 2016 |
|---|---|---|---|---|
| Bonuses | 830,286 | 11,170,378 | $3,491,643.61 | 11,262,279 |
| Hectares | 2,304 | 28,039 | 17,706 | 36,857 |
| **Average Price per Hectare (Cdn$)** | **$360.37** | **$398.39** | **$197.21** | **$305.57** |

*Source: Alberta Energy*

## Alberta Rig Activity



| Canadian Drilling | Drilling June 30, 2017 | Up or Down Compared to the Previous Week | WTI (US$/bbl) |
|---|---|---|---|
| Alberta | 115 | 21 | $ 44.63 |
| Saskatchewan | 46 | -2 | |
| British Columbia | 22 | | |
| Canada | 189 | 19 | |

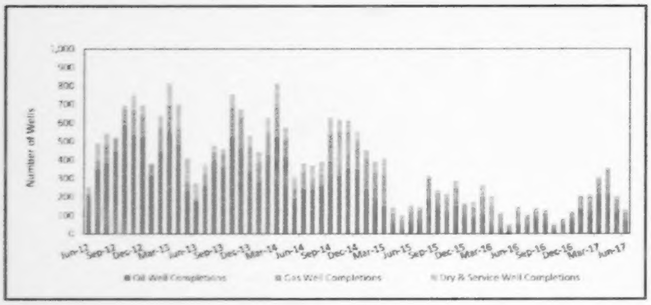
*Source: Baker Hughes*

Rig activity in Alberta increased by 21 to 115 for the week of June 30, 2017 and was 69 (150%) higher than the week of July 1, 2016 about one year ago

In Canada, the number of rigs drilling increased by 19 from last year for the week of June 30, 2017 and was 113 (149%) higher than one year ago

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

# Alberta Well Completions



There were a total of 130 wells completed in June 2017, down 9.7% from 144 wells completed in June 2016

Year to date, January - June 2017 oil well completions were up 169% and gas completions were up 7% compared to the same period the year before.

| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2011 | Oil Wells | 226 | 353 | 650 | 419 | 602 | 209 | 105 | 451 | 1030 | 626 | 559 | 568 | **5,798** |
| | Gas Wells | 145 | 294 | 974 | 472 | 196 | 124 | 43 | 183 | 356 | 259 | 243 | 299 | **3,588** |
| | Dry & Service | 42 | 127 | 222 | 112 | 160 | 100 | 97 | 94 | 145 | 19 | 32 | 73 | **1,223** |
| 2012 | Oil Wells | 215 | 489 | 516 | 405 | 296 | 205 | 348 | 380 | 447 | 588 | 533 | 523 | **4,945** |
| | Gas Wells | 131 | 181 | 146 | 141 | 62 | 12 | 46 | 98 | 65 | 81 | 137 | 110 | **1,210** |
| | Dry & Service | 35 | 48 | 55 | 126 | 128 | 37 | 94 | 63 | 12 | 23 | 80 | 59 | **760** |
| 2013 | Oil Wells | 313 | 449 | 544 | 481 | 230 | 179 | 263 | 394 | 357 | 528 | 463 | 333 | **4,534** |
| | Gas Wells | 59 | 124 | 149 | 91 | 47 | 14 | 59 | 46 | 72 | 153 | 164 | 139 | **1,117** |
| | Dry & Service | 9 | 67 | 119 | 129 | 66 | 79 | 51 | 34 | 29 | 72 | 44 | 58 | **757** |
| 2014 | Oil Wells | 280 | 427 | 520 | 418 | 188 | 240 | 245 | 257 | 389 | 314 | 354 | 348 | **3,980** |
| | Gas Wells | 105 | 119 | 166 | 94 | 54 | 94 | 52 | 63 | 154 | 239 | 197 | 161 | **1,498** |
| | Dry & Service | 57 | 80 | 126 | 62 | 63 | 45 | 70 | 69 | 85 | 65 | 62 | 42 | **826** |
| 2015 | Oil Wells | 239 | 194 | 147 | 57 | 34 | 75 | 80 | 189 | 154 | 113 | 152 | 89 | **1,523** |
| | Gas Wells | 166 | 134 | 166 | 52 | 42 | 45 | 44 | 108 | 65 | 75 | 93 | 63 | **1,053** |
| | Dry & Service | 46 | 60 | 94 | 32 | 25 | 31 | 21 | 13 | 15 | 27 | 40 | 11 | **415** |
| 2016 | Oil Wells | 88 | 106 | 43 | 30 | 11 | 48 | 46 | 87 | 64 | 27 | 51 | 81 | **682** |
| | Gas Wells | 55 | 90 | 106 | 69 | 29 | 75 | 47 | 35 | 47 | 20 | 26 | 37 | **636** |
| | Dry & Service | 29 | 64 | 51 | 14 | 11 | 21 | 10 | 17 | 15 | 4 | 2 | 1 | **239** |
| 2017 | Oil Wells | 133 | 129 | 205 | 220 | 121 | 69 | | | | | | | **877** |
| | Gas Wells | 64 | 67 | 88 | 124 | 64 | 45 | | | | | | | **452** |
| | Dry & Service | 8 | 13 | 13 | 12 | 15 | 16 | | | | | | | **77** |

*Source: JuneWarren-Nickle's Energy Group*